

NEWARK HOUSING AUTHORITY

REPORTS

ANNUAL REPORT, 1940-1941

ANNUAL REPORT

HOUSING AUTHORITY

of the

CITY OF NEWARK

FISCAL YEAR 1940-1941



ANNUAL REPORT

LETTER OF TRANSMITTAL

*To the Mayor and City Commissioners
of the City of Newark:*

Submitted herewith is report of the Housing Authority of the City of Newark for the year ending April 30, 1941, in accordance with the ordinances of the City of Newark and the laws of the State of New Jersey.

Respectfully,

NEIL J. CONVERY,
Executive Director.

ANNUAL REPORT

THE HOUSING AUTHORITY of the City of Newark, a five-man, non-salaried board, was established by the City Commission, the governing body of the City of Newark and took office on April 27th, 1938. The original members of the Authority were appointed to serve terms of from one to five years, the terms being determined by lot. Reappointments are for five-year terms. A member of the State Housing Authority sits with the Newark Authority as an ex-officio member.

The Housing Authority was given three major functions to perform, first to survey the need for housing; second, to plan and to build low-rent housing and third, to manage and maintain completed projects. The first of these, the surveying of the need, has long since been completed and the second has been largely finished. The Authority is now concerned chiefly with the third function, the management and maintenance of the projects.

In carrying out its first function the Authority was fortunate in having available a housing survey conducted by the Emergency Relief Administration under the direction of the State Housing Authority. This survey showed beyond question the need for housing. Of the 44,451 residential structures in the City 10.6 per cent were unfit for use and 40.2 per cent in need of major repairs.

The survey found 8,478 dwellings with no inside toilets, 22,534 apartments with no bathtubs and 21,772 with cold water only. The worst conditions were found in the Ironbound Section, the downtown area and in the Third Ward. That these slums had far reaching effects on the health and morals of those who lived in them was seen in a comparison of juvenile delinquency and health and mortality statistics for these sections with the rest of the City.

For instance, the average delinquency rate per 10,000 children in the three sections noted was 134.2, while the general City average was 86. In the downtown area the infant mortality rate was 75 per 10,000 live births as compared with 56 for the whole City, while the tuberculosis death rate in the same area was 20 per 10,000 as compared to the City rate of 9.

PROGRESS OF PROJECTS

Now, at the close of the Newark Housing Authority's third year, three of its six projects are in operation, another is about to open and the remaining two are under construction.

On April 30, 1941 there were 934 families living in the completed projects. Pennington Court with 236 families and Stephen Crane Village with 354 families were fully occupied. Seth Boyden Court had 344 families at this date, but arrangements had been made to move in 186 more families during May to fill the project.

First families will go into Baxter Terrace the latter part of May and before the summer is over the twenty-one buildings in this project—the largest in Newark will be fully occupied by 613 families. The section to be filled first, fifteen buildings north of James Streer, will house colored families.

In 1940 first buildings on the three projects started in 1939 were completed and thrown open for public inspection, Pennington Court on January 20th and Seth Boyden Court and Stephen Crane Village on November 15th, 1940. Almost immediately after the buildings were turned over by the contractors first families began to move in.

Ground was broken during the year for three projects—James M. Baxter Terrace at Orange, Nesbitt and Boyden Streets on March 26th; Felix Fuld Court on Livingston Street in the Third Ward, on November 25th and John W. Hyatt Court on Roanoke Avenue on December 14th.

Kitchen at Stephen Crane Village—roomy, light, convenient, fully equipped.





Family moves into their new home at Stephen Crane Village.

CONSTRUCTION

On April 30th, 1941 construction on the Felix Fuld Court project was 28 per cent complete, and prospects are that this project to house 300 families will be ready for occupancy by January 1, 1942. Ground was broken on this site November 25, 1940, five weeks after contracts were signed. Discovery, soon after work started, of blue clay in the sub-soil made a revision of the plans for footings necessary and delayed the construction approximately three weeks. Engineers believe that an ancient stream or pond deposited this blue clay diagonally across the site in such a manner that its presence was not detected by test borings.

Construction of the John W. Hyatt Court project was only eight per cent completed as the year ended, due largely to weather conditions during the winter. A ground-breaking ceremony, sponsored by the Ironbound Manufacturers' Association and the Newark Housing Authority was held on the site, December 14, 1940, tying in with the conclusion of the conference of the National Association of Housing Officials for Region II, which had been held in Newark during the preceding three days. Many of the delegates and visitors to the regional conference accepted invitations of the Authority to attend the ground-breaking after a tour of Newark's other projects. Bids for the construction of Hyatt Court were received on November 18, 1940 and the contracts approved by the USHA on January 14, 1941.

First buildings were completed at Seth Boyden Court on the site of Dreamland Park, October 23, 1940 and at Stephen Crane Village at Branch Brook Park two days later. Earlier in 1940 first buildings were completed at Pennington Court.

As the Authority's third year ended, the first four buildings, the maintenance building and boiler house at Baxter Terrace at Orange and Nesbitt Streets, were finished and turned over to the Authority by the contractors. The remainder of the twenty-one apartment buildings are nearing completion and are expected to be turned over within a few months.

TENANT SELECTION

To date, 10,289 families have filed applications for apartments in the first four projects. More than 5,400 families were interviewed, and of these, 2,579 families were classified as eligible, or transferred to the projects. Of the others, 1,154 families were deferred, 716 were found to be ineligible and 331 applications were withdrawn.

Pennington Court was filled in March, 1940, and as this report is being written, Stephen Crane Village and Seth Boyden Court are reaching the fully occupied stage, leaving the staff of the Tenant Relations Department with the immediate task of selecting tenants for the majority of the buildings at Baxter Terrace and Felix Fuld Court and John W. Hyatt Court.

As of April 30, 824 applicants have been interviewed for Baxter Terrace Apartments and had been classified as follows:

Being verified, 263; Eligible, 92; Transferred to Project, 188; Deferred, 127; Ineligible, 92; Withdrawn, 24; Pending classification, 38.

RELOCATION

One of the most difficult problems facing the staff was that of relocating residents whose homes were to be demolished to make room for the projects. On the site of the Baxter Terrace Annex were 115 families to be relocated and on the site of Felix Fuld Court were 95 families for whom new homes had to be found. The problem of getting these families resettled was successfully and expeditiously handled in both instances by a relocation staff of four persons, set up at both sites. The job was done at the Baxter Terrace Annex in forty working days and at the Felix Fuld Court in 25 days. Experience gained in handling the same problems in earlier relocations was of great benefit, as was also the cooperation of real estate men, social service agencies, police and other city departments.

In all instances the staff endeavored in relocating these families to obtain them better housing conditions and while this wasn't always possible we are satisfied that in a majority of cases it was done.

(Continued on third page following)

Moving day at James M. Baxter Terraco. Family looks over its new home.



LOCATION OF NEWARK'S HOUSING PROJECTS

Seth Boyden Court (NJ2-1)—On site of Dreamland Amusement Park, fronting on Frelinghuysen avenue, extending back to Dayton street, adjoining Weequahic Park.

Pennington Court (NJ2-2)—South, Pacific, Pennington and Dawson streets; formerly 70% vacant land in an industrial, commercial and residential area.

James M. Baxter Terrace (NJ2-5)—Orange, Boyden and Nesbitt streets, Sussex avenue and James street. Formerly slum area.

Stephen Crane Village (NJ2-6)—On North Sixth street at the Belleville line, adjoining the Branch Brook Park extension. Formerly vacant land.

John W. Hyatt Court (NJ2-7)—Roanoke avenue, Hawkins, Vincent and Horatio streets, adjoining State Highway No. 25 in an industrial and residential section.

Felix Fuld Court (NJ2-8)—Livingston and Rose streets, Waverly and Jelliff avenues. Formerly slum area in commercial, industrial and residential district.

YEARLY INCOME LIMITS AND RENTS

(Adopted Aug. 7, 1941)

For James M. Baxter Terrace and Felix Fuld Court

GRADES	<i>For admittance</i>		<i>For continued occupancy only</i>	
	A	B	X	Y
2 persons	\$ 800	\$1000	\$1250	\$1450
3 or 4 persons.....	900	1125	1350	1550
5 or more persons..	1000	1250	1450	1650
RENTS (monthly) ..	\$19	\$22	\$25	\$32

For Seth Boyden Court, Pennington Court, Stephen Crane Village
and John W. Hyatt Court

GRADES	<i>For admittance</i>			<i>For continued occupancy only</i>	
	A	B	C	X	Y
2 persons	\$ 800	\$1000	\$1250	\$1450	\$1650
3 or 4 persons.....	900	1125	1350	1550	1775
5 or more persons..	1000	1250	1450	1650	1900
RENTS (monthly) ..	\$19	\$22	\$25	\$32	\$40

FACTS ABOUT THE PROJECTS

Project	Dwelling Units	Buildings	Area in Acres
Seth Boyden Court.....	530	12	15.85
Pennington Court	236	4	4.57
James M. Baxter Ter.....	613	21	12.57
Stephen Crane Village.....	354	28	14.62
John W. Hyatt Court.....	402	13	10.17
Felix Fuld Court.....	300	9	6.74
Total.....	2,435	87	64.52

In this connection it is interesting to note that among the tenants scheduled to move into the first houses at Baxter Terrace are a number who were residents of the sub-standard houses that formerly stood on the site.

ANNUAL INCOME CHECK

The annual check up on tenant income, required by the National Housing Law to make certain that the low income families for whom public housing is intended are the ones who are benefiting, is now being made at Pennington Court, which has been occupied for a little more than a year. Similar check-ups will be made at the other occupied projects when this one is finished.

While it is too early to give definite figures on the findings of the check up, it can be said that in a substantial number of cases incomes have risen beyond the local and legal limits set up at the opening of the project. A glance at the income reports returned by employers indicates much of the increased income is due to overtime made necessary by the defense program, although in many cases base rates of pay have risen or men have transferred to better jobs. Also women and children have found jobs to add to family income.

What to do with families whose income has gone beyond the limits set when they were admitted is now a question being discussed and studied by the staff. There will be some whose income has jumped to the point where the family is now in a position to rent private housing. They will be told to move.

But in many other cases the increases will not be sufficient to enable the families to go out and rent privately owned, safe, sanitary and adequate homes. Unless we find a remedy they will find themselves in that twilight zone of "Too poor for private housing; too rich for public housing."

Shall we say to them: "Go back to the hovels and the shacks and the tenements from which we took you? You'll have to do without a bathtub and steam heat and electric refrigeration and cooking by gas and electric light. Sorry, but you'll have to put up with the outside toilet and the cold water and the kerosene oil stove and the filth and dirt from which we rescued you. It was all a mistake."

Shall we say to these people who have striven to better themselves by getting new jobs or working longer hours in the cause of national defense some of them just off the relief rolls: "You've spoiled everything by what you've done. You've got to get out."

Shall we serve notice on all the other happy families in our projects that if they want to keep these clean, modern sunny homes they've got to stay on relief, or keep their present jobs and reject all pay raises or overtime?

It's not reasonable to believe that our public housing program was intended to take these families from the slums, rehabilitate them, give them a sample of better living and then send them to what they came from—or worse—and then repeat the process with other families.

The problem is a serious one and one that is giving the staff of the Authority deep concern. For several weeks staff meetings have discussed a solution that has been tried here and abroad, a policy of graded or adjusted rents, under which rents would be based on family need and family income, rather than the flat scale based on apartment size which is now in use. Of course an upper income limit would be set at a point at which the family would move out into private housing.

In other words, rents would be based on the tenant's ability to pay. Tenants with higher incomes would pay higher rents than the tenants with lower incomes for equivalent accommodations. At present the subsidy granted by the USHA to insure the low rental character of the projects is now applied to the buildings and thus allotted to each tenant regardless of need. With rents adjusted to income the result would be the higher income tenants would pay rents close to the economic rent of the apartment, therefore, requiring little or no subsidy, while the lower income families would pay the lower rents, with a greater portion of the subsidy credited to them.

EQUIVALENT ELIMINATION

Since the major objectives of the National Housing Act is the eradication of slums, the Newark Housing Authority, with the cooperation of the City Government must eliminate, by repair or demolition, a sub-standard dwelling unit for every new one constructed. To date the USHA has credited the Newark Housing Authority with the elimination of 359 such units as the result of demolition on the sites of the Pennington Court, Baxter Terrace, John W. Hyatt Court and Felix Fuld Court Projects. A list of several hundred other sub-standard dwellings which have been repaired or torn down throughout the city since the housing program was started is being prepared for submission to the USHA for approval. In some instances the elimination of these unsanitary and unsafe homes has been accomplished with the cooperation of the owner but in most cases the police power of the City Government as vested in the building, fire and health departments has been brought into play to rid the city of these slums.

The problem of equivalent elimination has not been made easier by the shortage of homes that has become apparent with the progress of the defense program. To compel the immediate demolition of all dwellings that were considered sub-standard would only accentuate the housing problem and lead to overcrowding and worse conditions.

DEFENSE HOUSING

Members of the Newark Housing Authority were among the first in the country to recognize the need for housing for workers in the rapidly expanding defense industries, and took leading roles in discussion of the topic at the meeting of the State Housing Council last August in Asbury Park. Later the executive committee of the National Association of Housing Officials warned that 'Serious Housing Shortages are imminent in nearly 200 key cities including Camden and Newark.'

Chairman Gillen suggested at the Authority's meeting in August the need for an up-to-date survey of housing needs in connection with the defense program. With the cooperation of the Real Estate Board the Authority made such a survey and submitted a 16 page printed report to the Council of National Defense and the Federal Works Agency in Washington.

The report was submitted by a group headed by Chairman Gillen and David Cronheim, President of the Real Estate Board. In the group were Harold A. Lett, Vice-Chairman of the Newark Housing Authority and John F. Lee, a member of the Authority, Neil J. Convery, Executive Director of the Authority and R. Thomas Bowers, John R. Franke and Howard W. Van Ness of the Real Estate Board.

As a result of the foresight and quick action of the Newark Authority the Federal Works Agency on February 19th, 1941 announced the selection of a site on North Munn Avenue for defense housing for 200 families and designated the Newark Housing Authority as the agent of the United States Government to administer the project. Two weeks later the size of the project was increased to provide accommodations for 300 families.

Fun at Pennington Court. A corner of the play area at Newark's first project.





Slum dwelling—one of many that formerly stood on site of James M. Baxter Terrace.

Moving swiftly, the government had plans prepared and on April 10th bids were opened at the Newark City Hall. H.R.H. Construction Corp. of New York with a figure of \$1,047,000. was the low bidder. Ground was broken for this project, one of the first for defense workers to be put under the supervision of a local Authority on May 1, 1941 at exercises attended by John Taylor Egan, Regional Director of the USHA, Mayor Ellenstein, Chairman Gillen and other members of the Authority.

LABOR RELATIONS

The Authority's relations with labor were particularly amicable throughout the year. As the year began on May 1, 1940 a county-wide strike of laborers that threatened to tie up the projects under construction was settled and work has gone on since without interruption and leaders of the building trades unions have whole-heartedly cooperated in the Authority's program.

FINANCING

On May 7th, 1940 bids were asked for the sale of \$7,500,000. of temporary loan notes and on May 14th the issue was sold at an interest rate of 42 hundredths of one per cent a year for \$500,000. and 55 hundredths of one per cent a year for the remaining \$7,000,000. R. W. Pressprich of New York was the successful bidder on the smaller issue and the Chemical Bank and Trust Company of New York on the larger.

HOUSING AUTHORITY OF NEWARK, NEW JERSEY

CONSOLIDATED BALANCE SHEET AS AT CLOSE OF BUSINESS

APRIL 30th, 1941

	Project Nos.					
	NJ 2-1	NJ 2-2	NJ 2-5	NJ 2-6	NJ 2-7	NJ 2-8
ASSETS						
CURRENT ASSETS:						
DEVELOPMENT FUNDS:						
Lincoln National Bank, Newark, N. J.....	\$		21,631.84			
Fidelity Union Trust Co., Newark, N. J.....			449,971.70			
Federal Trust Company, Newark, N. J.....			230,580.92			
West Side Trust Company, Newark, N. J.....			92,394.77			
National State Bank, Newark, N. J.....			605,271.21			
National Newark & Essex Bkg. Co., Newark, N. J.			585,995.52	\$	1,985,845.96	
ADMINISTRATION FUNDS:						
Lincoln National Bank, Newark, N. J.....	\$		25,478.12			
Federal Trust Company, Newark, N. J.....			20,118.88			
West Side Trust Company, Newark, N. J.....			12,015.63		57,612.63	
SECURITY DEPOSIT FUNDS:						
Lincoln National Bank, Newark, N. J.....	\$		1,179.50			
Federal Trust Company, Newark, N. J.....			1,565.75			
West Side Trust Company, Newark, N. J.....			1,731.00		4,476.25	
OTHER CASH ON HAND:						
Petty Cash Fund.....	\$		350.00		350.00	
ACCOUNTS RECEIVABLE:						
Bond Subscribers			\$11,835,000.00			
Tenants Accounts Receivable NJ 2-1.....			41.50			
Tenants Accounts Receivable NJ 2-2.....			53.00			
Tenants Accounts Receivable NJ 2-6.....			50.50			
Seth Boyden Court—Administration NJ 2-1..			3,113.52			
Pennington Court—Administration NJ 2-2....			2,376.22			
Stephen Crane Village—Administration NJ 2-6			2,990.59			
Sundry Accounts Receivable.....			16,942.34			
Materials Stored			37,902.92		11,898,470.59	
PREPAID EXPENSE:						
Insurance	\$		1,254.92		1,254.92	
TOTAL CURRENT ASSETS						\$13,948,010.3
FIXED ASSETS:						
Development Costs NJ 2-1.....	\$		2,509,957.95			
Development Costs NJ 2-2.....			1,227,535.36			
Development Costs NJ 2-5.....			3,235,038.18			
Development Costs NJ 2-6.....			1,553,167.02			
Development Costs NJ 2-7.....			614,015.17			
Development Costs NJ 2-8.....			760,815.84		\$9,900,529.52	
Credits to Development Costs NJ 2-5.....	\$		2,202.28			
Credits to Development Costs NJ 2-7.....			4,187.95			
Credits to Development Costs NJ 2-8.....			2,502.90		8,893.13	
UNCOMPLETED CONTRACTS:						
(See Contra—"Contract Awards").....	\$		2,688,010.66		2,688,010.66	
TOTAL FIXED ASSETS						\$12,579,647.0
TOTAL						\$26,527,657.4

HOUSING AUTHORITY OF NEWARK, NEW JERSEY

CONSOLIDATED BALANCE SHEET AS AT CLOSE OF BUSINESS

APRIL 30th, 1941

		Project Nos.			
NJ 2-1	NJ 2-2	NJ 2-5	NJ 2-6	NJ 2-7	NJ 2-8

LIABILITIES

CURRENT LIABILITIES:

ACCOUNTS PAYABLE:

Development Account Creditors.....	\$ 240,485.21	
Contract Retentions	312,606.73	
Administration Account Creditors NJ 2-1.....	5,581.23	
Administration Account Creditors NJ 2-2.....	3,435.69	
Administration Account Creditors NJ 2-6.....	5,312.54	\$ 567,421.40

NOTES PAYABLE:

Temporary Loan Notes.....	\$11,400,000.00	11,400,000.00
---------------------------	-----------------	---------------

ACCRUED ACCOUNTS:

Interest due on Temporary Loan Notes.....	\$ 12,543.54	
Payments in Lieu of Taxes.....	2,834.98	15,378.52

PREPAID INCOME AND DEPOSITS:

Tenants Prepaid Rents Dwelling NJ 2-1.....	\$ 2,088.58	
Tenants Prepaid Rents Dwelling NJ 2-2.....	77.36	
Tenants Prepaid Rents Dwelling NJ 2-6.....	319.00	
Tenants Security Deposits NJ 2-1.....	1,565.75	
Tenants Security Deposits NJ 2-2.....	1,179.50	
Tenants Security Deposits NJ 2-6.....	1,731.00	6,961.19

TOTAL CURRENT LIABILITIES.....	\$11,989,761.11
--------------------------------	-----------------

FIXED LIABILITIES:

Bond Subscriptions	\$11,835,000.00	\$11,835,000.00
--------------------------	-----------------	-----------------

SERIES "A" BONDS:

Authorized	\$ 1,450,000.00	
Unissued	1,450,000.00	—0—

SERIES "B" BONDS:

Authorized	\$13,016,000.00	
Unissued	13,016,000.00	—0—

CONTRACT AWARDS:

(See Contra "Uncompleted Contracts").....	\$ 2,688,010.66	2,688,010.66
---	-----------------	--------------

RESERVES:

Repairs, Maintenance & Replacement Reserve—		
NJ 2-1	\$ 4,910.74	
NJ 2-2	14,877.20	
NJ 2-6	6,337.16	
Vacancies & Collection Losses Reserve—		
NJ 2-1	1,133.37	
NJ 2-2	1,792.55	
NJ 2-6	959.78	30,010.80

Expenses over Income:

Seth Boyden Court Administration NJ 2-1.....	\$ 9,354.90	
Pennington Court Administration NJ 2-2.....	392.66	
Stephen Crane Village Administration NJ 2-6.....	6,162.93	15,125.17

TOTAL FIXED LIABILITIES	14,537,896.29
-------------------------------	---------------

TOTAL.....	\$26,527,657.40
------------	-----------------

Newark, N. J., May 19th, 1941

Submitted and Certified Correct:

NEIL J. CONVERY,
Executive Director.

Prepared and Audited by:

E. D. TEDESCHI,
Comptroller Auditor.

HOUSING AUTHORITY OF THE CITY OF NEWARK



MEMBERS, 1940-1941

CHARLES P. GILLEN, *Chairman*

HAROLD A. LETT, *Vice-Chairman*

ARTHUR C. GILLETTE

FRANK G. MAGUIRE

JOHN F. LEE

WILLIAM T. VANDERLIPP, *Member of the State Housing Authority, ex-officio*

MEMBERS, 1941-1942

FRANK G. MAGUIRE, *Chairman*

HAROLD A. LETT, *Vice-Chairman*

CARL A. BACCARO

CHARLES P. GILLEN

JOHN F. LEE

WILLIAM T. VANDERLIPP, *Member of the State Housing Authority, ex-officio*

STAFF

NEIL J. CONVERY, *Executive Director*

FRED J. COLLINS, *Ass't. to the Director*

HARRY B. WEISS,

DR. MILTON R. KONVITZ, *Counsel*

Tenant Relations Director

JAMES A. KILGOUR, *Technical Director*

JOSEPH F. REILLY,

EDWARD D. TEDESCHI, *Comptroller*

Public Relations and Personnel Director

DAVID KENT,

ALENE D. SIMKINS,

Supt of Maintenance and Operation

Management Consultant

Project Managers—Pennington Court, Ellsworth J. Sweeney; Seth Boyden Court, Harry Redisch; Stephen Crane Village, Nicholas Fiore; James M. Baxter Terrace, Charles C. Weathers; Felix Fuld Court, Joseph F. W. Amberg.

BOARD OF DESIGN

J. SANFORD SHANLEY

GEORGE E. JONES

J. FREDERICK COOK

M. ARTHUR WOLF

EDWARD C. EPPLÉ

FERDINAND H. KOENIG

JOSEPH DI STASIO, *Structural Engineer*

ETHELBERT E. FURLONG, *Landscape Architect*

RUNYON & CAREY, *Mechanical Engineers*